



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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Michael L. Retzer, Treasurer  
Republican National Committee  
310 First Street SE  
Washington, DC 20003

MAR 12 2003

Identification Number: C00003418

Reference: Amended April Monthly Report (3/1/02-3/31/02), dated 5/22/02

Dear Mr. Retzer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 15 of your report discloses a payment(s) from a federal candidate committee(s) for goods and/or services provided by your committee. 11 CFR §100.7(a)(1)(iii)(A) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.7(a)(1)(iii)(B)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by your committee to the federal candidate committee(s) and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.7(a)(1)(iii)(A))

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-Schedule B supporting Line 21(b) of your report discloses a payment(s) to another political committee(s) for goods and/or services provided by that committee(s). 11 CFR §100.7(a)(1)(iii)(A) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.7(a)(1)(iii)(B)

Please clarify whether your committee was assessed the usual and normal charge for the goods and/or services you received and explain the steps the political committee(s) took in determining the amount(s) charged to you. If your committee was provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by the political committee(s) to your committee and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.7(a)(1)(iii)(A))

-Schedule H4 discloses disbursements which are categorized as fundraising expenses with the unique identifier of E, G, M, P, S, and T; however, Schedule H2 does disclose an allocation ratio for these events. All committees are required to allocate the direct costs of each fundraising event in which the committee collects both federal and non-federal funds. The costs are allocated according to the funds received ratio and reported on Schedule H2. 11 CFR §§106.5(f) and 106.6(d). Please amend Schedule H2 to include the allocation ratio for the aforementioned fundraising events.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B and H4 of your report to clarify the following description(s): TRANS and SUPPLIES. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please clarify all expenditures made for VIDEO SVS, BROADCAST SVS, and PRODUCTION COST on Schedule(s) B and H4. If a portion or all of these expenditures were made on behalf of specifically identified

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federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Line 1 and Line 5 of your Schedule I for your Republican National State Election Committee Non-Federal account discloses \$6,721,603.63 in receipts and \$805,117.43 in disbursements, respectively. However, the sum of the memo entries itemized on memo Schedule A equal \$6,659,165 and the sum of the memo entries itemized on memo Schedule B equal \$814,471.23. Please clarify these apparent discrepancies.

-Schedule A supporting Line 15 of the Detailed Summary Page discloses a refund(s) or rebate(s) of what appears to be a previously disclosed allocable expense(s) from Logicom LLC. Please be advised that when a committee receives a refund or rebate of an allocable expense, it must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Your report does not appear to disclose a transfer-out of the non-federal portion of this refund(s) or rebate(s). Please provide clarification regarding this apparent omission.

-On Schedule H4 of your report you disclose transfers to the non-federal account for the federal share of corporate in-kind contributions from Westvaco Corp. that is categorized as Administrative/Voter Drive; however, the receipt of this corporate in-kind contribution on Schedule H3 is categorized as Direct Fundraising. Please amend your report to clarify this discrepancy.

A response or amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Scott Walker  
Senior Campaign Finance Analyst  
Reports Analysis Division

